

1 Defendants named herein. The State alleges the following on information and belief:

2 **I. INTRODUCTION**

3 **1.1** The Plaintiff, State of Washington, brings this action pursuant to RCW 19.86,
4 the Consumer Protection Act, and RCW 19.09, the Charitable Solicitations Act. Plaintiff seeks
5 a permanent injunction, and other equitable relief, including civil penalties, restitution, and
6 attorneys' costs and fees, based on violations of the Consumer Protection Act.
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8 **II. PLAINTIFF**

9 **2.1** The Plaintiff is the State of Washington.

10 **2.2** The Attorney General is authorized to commence this action pursuant to
11 RCW 19.86.080, RCW 19.86.140, and RCW 19.09.340.

12 **III. DEFENDANTS**

13 **3.1** Defendant Veterans of Western Washington is an organization engaged in the
14 business of soliciting and collecting charitable contributions for charitable or purportedly
15 charitable purposes in the state of Washington. Veterans of Western Washington is also
16 known as VWW, Western Washington Veterans, and VWW. Veterans of Western
17 Washington has solicited charitable contributions under its own name and various other names,
18 including, but not limited to Hospitalized Children's Society, Children's Cancer Alliance,
19 Coalition Against Domestic Violence, and Family Services of Puget Sound. Veterans of
20 Western Washington has conducted business from 18601 Highway 99, Suite 203, Lynnwood,
21 Washington, 98037, and currently conducts business at 19707 64th Avenue, W., Suite 109,
22 Lynnwood, Washington, 98036. Veterans of Western Washington also has used numerous
23 Post Office Boxes in the state of Washington. From approximately July 26, 2002 until
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1 December 18, 2005, Veterans of Western Washington operated as a Washington non-profit
2 corporation. From December 19, 2005 until present Veterans of Western Washington has been
3 operating as a sole proprietorship, owned by Defendants Robert Melborne Shay and Michael
4 Joseph Shay. Veterans of Western Washington was registered as a charitable organization
5 with the Washington Secretary of State pursuant to RCW 19.09 from July 26, 2002 until
6 October 26, 2004, at which time the Secretary of State canceled its registration.
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8 **3.2** Defendant Robert Melbourne Shay, a/k/a R.M. Fuka, is an owner of Veterans of
9 Western Washington since at least December 19, 2005, and as such, controls its policies,
10 activities, and practices, including those alleged in this Complaint occurring on or after
11 December 19, 2005. From at least July 26, 2002 through December 18, 2005, Defendant was
12 corporate secretary of, and was a principal, manager, accountant, or otherwise involved in the
13 day-to-day activities conducted by, Veterans of Western Washington and as such controlled its
14 policies, activities, and practices, including those alleged in this Complaint occurring between
15 July 26, 2002 and December 18, 2005. Defendant Robert Melbourne Shay resides at
16 22106 7th Street, S.W., Unit A, Edmonds, Washington, 98026. Defendant Robert Melbourne
17 Shay is married to Nellie M. Shay and together they constitute a marital community. All
18 actions taken by Defendant Robert Melbourne Shay as alleged in this Complaint are for the
19 benefit of his marital community. Defendant resides in the state of Washington and transacts
20 or has transacted business in the state of Washington.
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23 **3.3** Defendant Michael Joseph Shay is an owner of Veterans of Western
24 Washington since at least December 19, 2005, and as such, controls its policies, activities, and
25 practices, including those alleged in this Complaint occurring on or after December 19, 2005.
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1 From at least July 26, 2002 through December 18, 2005, Defendant was an officer or manager
2 of Veterans of Western Washington and as such formulated, controlled, directed, approved,
3 and participated in its policies, activities, and practices, including those alleged in this
4 Complaint occurring between July 26, 2002 and December 18, 2005. Defendant Michael
5 Joseph Shay has represented himself as "Founder/Director of Veterans of Western
6 Washington." Defendant Michael Joseph Shay resides at 14015 61st Place W., No. A,
7 Edmonds, Washington, 98026. Defendant Michael Joseph Shay is married to Melanie J. Shay
8 and together they constitute a marital community. All actions taken by Defendant Michael
9 Joseph Shay as alleged in this Complaint are for the benefit of his marital community.
10 Defendant resides in the state of Washington and transacts or has transacted business in the
11 state of Washington.
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14 **3.4** Defendant Marcello Manuel Ganiel was President of Veterans of Western
15 Washington from at least July 26, 2002 until December 18, 2005, and as such formulated,
16 controlled, directed, approved, and participated in their policies, activities, and practices,
17 including those alleged in this Complaint occurring between July 26, 2002 and December 18,
18 2005. From December 19, 2005 until at least March 31, 2006, Defendant Marcello Manuel
19 Ganiel was involved in the day-to-day affairs of Veterans of Western Washington, including,
20 but not limited to soliciting Washington residents for charitable donations. Defendant
21 Marcello Manuel Ganiel transacted business in the state of Washington from at least
22 October 12, 1998 until at least March 24, 2006. Defendant Marcello Manuel Ganiel resides at
23 214 As Cepeda Road, Pulantat, Yona, Guam, 96921. His mailing address is P.O. Box 5814,
24 Hagatna, Guam, 96932. Defendant Marcello Manuel Ganiel is married to Jane Doe Ganiel
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1 and together they constitute a marital community. All actions taken by Defendant Marcello
2 Manuel Graniel as alleged in this Complaint are for the benefit of his marital community.

3 **IV. JURISDICTION AND VENUE**

4 **4.1** The State files this complaint and institutes these proceedings under
5 RCW 19.86, the Consumer Protection Act, and RCW 19.09, the Charitable Solicitations Act.
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7 **4.2** The Defendants or their agents have engaged in the conduct set forth in this
8 complaint in Snohomish County and elsewhere in the state of Washington.

9 **4.3** Venue is proper in Snohomish County pursuant to RCW 4.14.020.

10 **V. NATURE OF TRADE OR COMMERCE**

11 **5.1** Defendants are now, and have been at all times relevant to this lawsuit, engaged
12 in trade or commerce within the meaning of RCW 19.86.020 by directly or indirectly soliciting
13 and collecting charitable contributions from the general public in the state of Washington.
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15 **5.2** Defendants have been at all times relevant to this action in competition with
16 others engaged in similar business in the state of Washington.

17 **VI. FACTS**

18 **6.1** Individual Defendants Robert Melbourne Shay, Michael Joseph Shay, and
19 Marcello Manuel Graniel have a history of soliciting and collecting charitable contributions
20 from the general public in the state of Washington. Prior to forming Veterans of Western
21 Washington on July 26, 2002, the individual Defendants solicited charitable contributions
22 under the name of Washington State Veterans League from approximately October 9, 1998
23 through approximately August 23, 2002. The Washington State Veterans League also solicited
24 charitable contributions under the name "Veterans of Western Washington." The Washington
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1 Secretary of State canceled Washington State Veterans League's charitable organization
2 registration on December 17, 2002.

3 **6.2** Defendants have solicited and collected charitable contributions in the state of
4 Washington under several different names. The Defendants registered the names "VWW,"
5 "Western Washington Veterans," and "WWV" with the Secretary of State as other names
6 under which they would solicit charitable contributions. The Defendants solicited and
7 collected charitable contributions under various names that Defendants did not register with the
8 Secretary of State, including but not limited to "Children's Cancer Alliance," "Hospitalized
9 Children's Society," "Coalition Against Domestic Violence," and "Family Services of Puget
10 Sound."

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12 **6.3** The Defendants solicited and collected charitable contributions using the names
13 and identification of other, registered charities, including, but not limited to Family Services of
14 Puget Sound and Coalition Against Domestic Violence.
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16 **6.4** Veterans of Western Washington was registered as a charitable organization
17 with the Secretary of State and thereby authorized to solicit charitable contributions in the state
18 of Washington from July 26, 2002 until October 26, 2004, at which time the Secretary of State
19 canceled Veterans of Western Washington's registration for failure to register all names under
20 which it solicited charitable contributions. After the Secretary of State canceled Veterans of
21 Western Washington's registration, the Defendants continued to solicit and collect charitable
22 contributions through at least April of 2006.
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24 **6.5** After the Secretary of State canceled Veterans of Western Washington's
25 registration as a charitable organization on October 26, 2004, Defendants misrepresented to
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1 **VIII. SECOND CAUSE OF ACTION**
2 **(Misrepresenting That Charities Are Registered With the Secretary of State)**

3 **8.1** Plaintiff realleges Paragraphs 1.1 through 7.3 and incorporates them herein as if
4 set forth in full.

5 **8.2** In written solicitation material they distributed to Washington consumers, the
6 Defendants misrepresented, directly or by implication, that Veterans of Western Washington,
7 Children's Cancer Alliance, and Hospitalized Children's Society were registered with the
8 Secretary of State under Registration No. 9940.

9 **8.3** Defendants did not register Children's Cancer Alliance or Hospitalized
10 Children's Society as charitable organizations with the Secretary of State, nor did they register
11 Children's Cancer Alliance or Hospitalized Children's Society as subsidiary organizations
12 pursuant to RCW 19.09.095. Defendants misrepresented, directly or by implication, that
13 Children's Cancer Alliance and Hospitalized Children's Society were registered with the
14 Secretary of State.
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16 **8.4** Defendant Veterans of Western Washington was registered with the Secretary
17 of State under Registration No. 9940 until October 26, 2004, when the Secretary of State
18 canceled that registration. Defendants continued to misrepresent, directly or by implication,
19 that Veterans of Western Washington was registered with Secretary of State after its
20 registration was canceled on October 26, 2004.
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22 **8.5** The conduct described in paragraphs 8.1 through 8.4 violates the Charitable
23 Solicitations Act, specifically RCW 19.09.100(12), (16), (18). Pursuant to RCW 19.09.340,
24 violations of the Charitable Solicitations Act are *per se* violations of the Consumer Protection
25 Act, RCW 19.86.
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1 **8.6** Notwithstanding RCW 19.09.340, the conduct described in paragraphs 8.2
2 through 8.4 has the capacity to mislead a substantial number of consumers and constitutes
3 unfair or deceptive acts or practices in trade or commerce, and unfair methods of competition
4 in violation of RCW 19.86.

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6 **IX. THIRD CAUSE OF ACTION**
7 **(Soliciting Charitable Contributions Under the Names of Other Entities)**

8 **9.1** Plaintiff realleges Paragraphs 1.1 through 8.6 and incorporates them herein as if
9 set forth in full.

10 **9.2** In written solicitation material they distributed to Washington consumers,
11 Defendants solicited and collected charitable contributions under the names, Secretary of State
12 Registration numbers, Employer Identification Numbers (EIN), and Unified Business Identifier
13 (UBI) numbers of “Handicapped Children’s Services” and “Family Services of Puget Sound.”
14 Handicapped Children’s Services and Family Services of Puget Sound were not affiliated with
15 Defendants. Defendants did not have the consent of Handicapped Children’s Services or
16 Family Services of Puget Sound to solicit or collect charitable contributions on their behalf or
17 under their names.

18 **9.3** The conduct described in paragraph 9.2 violates the Charitable Solicitations
19 Act, specifically RCW 19.09.100(12), (16), (18), and 19.09.230. Pursuant to RCW 19.09.340,
20 violations of the Charitable Solicitations Act are *per se* violations of the Consumer Protection
21 Act, RCW 19.86.

22 **9.4** Notwithstanding RCW 19.09.340, the conduct described in paragraph 9.2 has
23 the capacity to mislead a substantial number of consumers and constitutes unfair or deceptive
24 acts or practices in trade or commerce, and unfair methods of competition in violation of
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1 RCW 19.86.

2 **X. FOURTH CAUSE OF ACTION**
3 **(Failure to Make Required Disclosures on Solicitation Material)**

4 **10.1** Plaintiff realleges Paragraphs 1.1 through 9.4 and incorporates them herein as if
5 set forth in full.

6 **10.2** In written solicitation material they distributed to Washington consumers, the
7 Defendants failed to clearly and conspicuously disclose in the body of the solicitation material
8 that the Defendants' notice of solicitation is on file with the Secretary of State and that the
9 potential donor could obtain additional financial disclosure information from the Secretary of
10 State at the Secretary of State's published number.

11 **10.3** The conduct described in paragraph 10.2 violates the Charitable Solicitations
12 Act, specifically RCW 19.09.100(1), (16), (18). Pursuant to RCW 19.09.340, violations of the
13 Charitable Solicitations Act are *per se* violations of the Consumer Protection Act, RCW 19.86.

14 **10.4** Notwithstanding RCW 19.09.340, the conduct described in paragraph 10.2 has
15 the capacity to mislead a substantial number of consumers and constitutes unfair or deceptive
16 acts or practices in trade or commerce, and unfair methods of competition in violation of
17 RCW 19.86.
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20 **XI. FIFTH CAUSE OF ACTION**
21 **(Failure to Maintain Books and Records)**

22 **11.1** Plaintiff realleges Paragraphs 1.1 through 10.4 and incorporates them herein as if
23 set forth in full.

24 **11.2** Defendants are required to maintain accurate, current, and readily available
25 books and records at their usual business location for three years after the effective period to
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